

BEFORE THE

ILLINOIS
COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION Aug 8 10 41 AM '00

Application for a Certificate of Interexchange
Authority to Operate as a Reseller
Of Telecommunications Service Throughout
the State of Illinois)

CHIEF CLERK'S OFFICE

No. 00-0531

OFFICIAL FILE

I.G.C. DOCKET NO. 000531

Exhibit No. 1

Prepared Testimony of Alan J. Scrim
Vice President, Secretary and Treasurer
Everest Broadband Networks of Illinois, Inc. Date 8/29/00 Reporter Scrim

1. Q: Please state your name and address for the record.
2. A: Alan J. Scrim. One Executive Drive, Suite 170, Fort Lee, N.J. 07024.
3. Q: By whom are you employed and in what capacity?
4. A: I am employed by Everest Broadband Networks, Inc. ("Everest") as Executive Vice President for Network and Communications Services. I also serve as Vice President, Secretary and Treasurer of Everest Broadband Networks of Illinois, Inc. ("Everest of Illinois"), which is a wholly-owned subsidiary of Everest and which is the applicant for the certificate of interexchange resale authority here in Illinois.
5. Q: Please provide a brief description of your experience in telecommunications and your educational background.
6. A: My telecommunications career spans nearly 35 years. Prior to joining Everest, I served as Vice President for Business Strategy and Development for Global Networks, which was a subsidiary of Bell Atlantic formed to gain entry into the long distance marketplace. I also held senior positions at NYNEX, AT&T, Bell Laboratories and Bellcore, where my responsibilities included, among others, network installation and repair, network planning, research and development in data communications, and financial management. I also served as Vice Chairman of the Board of Directors, as well as Chairman of the Strategy Forum Steering Committee, for the Corporation for Open Systems, which is an international consortium of computer vendors, telecommunications companies and users formed in the mid 1980's to accelerate the implementation of open systems technology and better serve the needs of a growing multi-vendor marketplace. With respect to education, I earned an electrical engineering degree from Union College in

Schenectady, N.Y., a Master of Science degree in Computer Science from Rutgers University, and a Master of Business Administration degree from Farleigh Dickinson University.

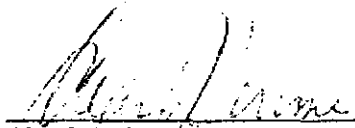
7. Q: Is Everest of Illinois authorized to do business in Illinois?
8. A: Yes. Authorization to do business in Illinois was obtained on May 12, 2000.
9. Q: Why has Everest of Illinois filed this application?
10. A: Everest of Illinois seeks authority to provide interexchange telecommunications services on a resale basis throughout the State of Illinois.
11. Q: What services does Everest of Illinois propose to offer within the State of Illinois?
12. A: Everest of Illinois plans to provide, on a resale basis, interexchange and related services offered by Global Crossing, Ltd. These services include: (1) "1+" dialing for both inter-LATA and intra-LATA toll calls; (2) calling card services; (3) toll free services ("800" type services); and (4) long-distance directory assistance/operator services. Everest of Illinois primarily seeks to serve small and medium sized business customers in multi-tenant buildings.
13. Q: Is Everest of Illinois authorized to sell telecommunications services in any other states?
14. A: Everest of Illinois is not authorized, and does not intend to seek authorization, to provide service in any other states. However, four other wholly-owned subsidiaries of Everest, Everest of Illinois' parent, have authorization, either through certification, registration or deregulation, to provide interexchange telecommunications services on a resale basis in New York, New Jersey, Virginia and Washington, D.C., respectively. Those subsidiaries have either begun or will soon begin providing interexchange services. Another wholly-owned subsidiary of Everest, Everest Broadband Networks of California, Inc., has an application for interexchange resale authority pending in California. Other subsidiaries of Everest intend to obtain similar authority in other states in the future.
15. Q: How will Everest of Illinois handle customer complaints?
16. A: Customers can contact Everest of Illinois at its Customer Care number, 1-800-242-1662. A menu will then direct customers to the proper department based on the issues raised by the complaint. *The Customer Care service has an internal escalation list, which is designed to find the source of the problem and produce a speedy response.*
With respect to objections to billed charges, adjustments to the customer's bill will be made to the extent records are available or circumstances exist that reasonably indicate that the charges are not in accordance with approved rates or that an adjustment is otherwise appropriate.
17. Q: Please describe the billing procedures of Everest of Illinois.

18. A: Customers will be billed on a monthly basis. Billing begins on the date that service becomes effective, and is payable upon receipt by the customer. Billing will be based on actual usage for the month, although the first bill may, at Everest of Illinois' discretion, contain estimated usage billed in advance (with any necessary reconciliation to follow). A full description of all terms and conditions relating to billing will be set forth in Everest of Illinois' tariff.
19. Q: Do you believe that Everest of Illinois' principal managerial and technical personnel have the experience, knowledge and technical ability necessary to provide the proposed resold interexchange services?
20. A: Yes. Attached to Everest of Illinois' Application as Exhibit 3 are biographies of nine key personnel, including myself, that demonstrate the experience and capabilities possessed by the people that Everest of Illinois will rely on to provide service in Illinois. Those persons, in addition to Everest's other highly-qualified personnel, will provide Everest of Illinois with ample technical, network, managerial, marketing and financial knowledge and expertise to provide resold interexchange services in Illinois.
21. Q: Does Everest of Illinois have the financial qualifications to operate as a carrier in Illinois?
22. A: Everest of Illinois will rely on its parent, Everest, for financing. Everest will provide all necessary financial support for the entrance of Everest of Illinois into the interexchange resale market in Illinois. Attached to Everest of Illinois' application as Exhibit 4 are the audited financial statements of Everest as of December 31, 1999, and an unaudited Balance Sheet as of the close of the first quarter of 2000, which demonstrate that Everest is financially sound and can provide Everest of Illinois with all the financial resources and access to cash needed to provide interexchange telecommunications service on a resale basis in Illinois.
23. Q: To summarize your last two answers, is it your opinion that Everest of Illinois possesses the technical, financial and managerial resources and abilities to provide interexchange telecommunications services on a resale basis within the State of Illinois?
24. A: Yes, Everest of Illinois, in conjunction with its parent company, Everest, possesses sufficient technical, financial and managerial resources and abilities to provide interexchange telecommunications services on a resale basis within the State of Illinois.
25. Q: What are Everest of Illinois' procedures to prevent slamming and cramming?
26. A: All requests to change customers' interexchange telecommunications service to Everest of Illinois or add to services will be made only upon authorization of the customer and will be verified pursuant to applicable state and federal laws and regulations. Everest of Illinois intends to verify customer requests to change service through the use of letters of agency that meet both federal and Illinois laws and regulations concerning slamming and cramming.

27. Q: Has Everest, Everest of Illinois, or any other subsidiary of Everest ever been denied a certificate to provide telecommunications services or had such a certificate revoked?
28. A: No.
29. Q: Has Everest, Everest of Illinois, or any other subsidiary of Everest ever been fined for any regulatory infractions?
30. A: No.
31. Q: Are you familiar with the application that Everest of Illinois submitted to this Commission?
32. A: Yes.
33. Q: *Do you ratify and confirm the statements and representations made in that application?*
34. A: Yes.
35. Q: Will Everest of Illinois comply with all applicable state laws and Commission rules applicable to providers of resold interexchange telecommunications services in Illinois?
36. A: Yes. Everest of Illinois will comply with all laws and Commission rules applicable to the provision of resold interexchange services in Illinois. Everest of Illinois has respectfully requested waivers of Parts 250, 710 and 735 of Title 83 of the Commission's rules, as the waiver of those provisions will reduce economic burdens of regulation on Everest of Illinois and are not inconsistent with the law or its purposes.
37. Q: Does this conclude your testimony at this time?
38. A: Yes.
39. Q: *Will you remain available for any additional questions the Commission or its Staff may have.*
40. A: Yes.

VERIFICATION

I, Alan J. Scrim, being duly sworn, do hereby state that I am the Executive Vice President of Everest and the Vice President, Secretary and Treasurer of Everest of Illinois; that I am authorized to testify on behalf of both Everest and Everest of Illinois; that I have read the foregoing Prepared Testimony; and that the facts contained therein are true and correct to the best of my knowledge, information and belief.


Alan J. Scrim

Subscribed and sworn to before me this ___ day of August 2000.


Notary Public


My Commission Expires

